

PRESS RELEASE

5 June 2008

**PROJECT PLAN CONSIDERS ENVIRONMENTAL DIALOGUE
AND SECURITY OF SUPPLY NEEDS**

- **Additional environmental surveys**
- **Shareholders confirm important investment decisions**
- **Nord Stream aims for gas deliveries from 2011**

Zug, 5 June 2008. Following a meeting of the Shareholders Committee on 4 June 2008, Nord Stream AG today confirmed the project plan envisaging start of gas deliveries in 2011. The project plan includes extended consideration of all environmental requests from authorities and the public, along with continuation of an intensive dialogue. Nord Stream envisages pipeline construction starting at the beginning of 2010. Therefore, the Shareholders Committee has confirmed further substantial investment decisions for implementing the project. Nord Stream was asked to finalise negotiations and sign contracts with Saipem S.p.A. (Milan, Italy) for pipe-laying services, and EUPEC PipeCoatings S.A. (Dunkerque, France) for weight coating and logistics.

Matthias Warnig, Managing Director of Nord Stream AG, said: "Nord Stream is the most advanced of all gas infrastructure projects labeled 'of European interest' by the European Union. We are aware of the environmental concerns and are taking sufficient time and effort to address them. Based on intensive planning and preparation, we will be able to supply additional gas from 2011."

More time for international consultations with the Baltic Sea countries

The project plan takes into consideration the outcomes of the international consultations with all Baltic Sea countries. Nord Stream will complete additional environmental surveys, based on the recent requests by the authorities, in summer. The results will serve as part of the comprehensive transboundary Environmental Impact Assessment (EIA) report, the final draft of which will be submitted to the authorities in October 2008, as required by international law (Espoo Convention).

Essential investments to meet Europe's additional gas demands

Both Saipem and EUPEC guarantee measures to ensure an efficient and expedited pipeline construction process. Saipem, which will be contracted to install the pipelines, is able to provide two lay barges. As Nord Stream initially planned only one vessel for pipe-laying, the process now will be able to be finished on time despite a later start date. EUPEC will be commissioned to undertake the concrete weight coating of the pipes and logistics services. EUPEC has a supply chain management programme that includes, among others, providing for several interim stock yards for pipe storage at various locations around the Baltic Sea. This ensures the most direct transport of the pipes from storage facilities to the pipeline construction site, with travelling distances of not more than 100 miles.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Gas imports by the European Union, 336 billion cubic meters (bcm) in 2005, are projected to grow by 200 bcm to 536 bcm per year in 2015 (source: Global Insight, 2007). Connecting the world's biggest gas reserves with the European gas pipeline network, Nord Stream will meet about 25 per cent of that additional requirement. The project will be an important contribution to long-term security of supply and a test of the energy partnership between the European Union and Russia.

Nord Stream AG plans to have the first of two parallel pipelines operational in 2011. Each line is approximately 1,220 kilometres long, providing a transport capacity of some 27.5 bcm per annum. Full capacity of about 55 bcm a year will be reached in the second phase, when operation of the second line starts.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the new offshore gas pipeline. Gazprom holds a 51 per cent stake in the joint venture. BASF/Wintershall and E.ON Ruhrgas hold 20 per cent each. Dutch gas infrastructure company N.V. Nederlandse Gasunie is acquiring a 9 per cent stake.

As a cross-border project, Nord Stream is subject to international conventions and national legislation in each of the countries through which it passes. Before construction starts, an Environmental Impact Assessment (EIA) will be completed along the whole pipeline route. This is a detailed study of environmental aspects in a trans-boundary context. The process is governed by international law (Espoo Convention) and by national legislation in the countries concerned.

Nord Stream is included in the Trans-European Energy Network Guidelines (TEN-E) of the European Union. In 2006, it was designated a "project of European interest" by the European Commission, the European Parliament and the Council of the European Union. Nord Stream is, therefore, recognized as a key project in order to meet Europe's energy infrastructure needs.

Saipem, 43% owned by Eni, is organised in three Business Units: Offshore, Onshore and Drilling, with a strong bias towards oil & gas related activities in remote areas and deepwater. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and the execution of large scale offshore and onshore projects, and technological competences such as gas monetisation and heavy oil exploitation.

EUPEC is one of the world-wide leading companies in the application of multi-layer anti-corrosion coating systems. For more than 40 years, EUPEC has been providing reliable solutions for the "end-to-end" protection of steel pipelines on both onshore and offshore pipeline industries. This international reputation also applies to concrete weight coating, pipe-in-pipe fabrication, cathodic protection, remote processing and monitoring of pipelines and services related to global project management and pipeline field services. EUPEC is certified ISO 9001, 14001, OHSAS 18001 and Qualicert.

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